Contingent Project Representation Options

1. Purpose

This document summarises the approach discussed with the Revenue Proposal Reference Group (RPRG) at the July 2026 meeting for representing the indicative price impacts for customers arising from potential projects outside of the revenue determination process, i.e. not included in ex ante forecasts.

It records which projects are to be included in illustrative modelling, projects that will not be modelled and the rationale for that approach, together with the next steps for member feedback before publication.

2. Context

In its Issues Paper for Powerlink's 2027-32 Revenue Proposal, the Australian Energy Regulator (AER) included a diagram showing potential capital expenditure if all contingent projects, actionable and future Integrated System Plan (ISP) projects, proceeded over a 10-year period.

At the May 2026 RPRG meeting, Powerlink agreed to explore a clearer way to represent this information, noting the significant risk that the diagram could imply more certainty than exists to these estimates. Powerlink returned in July with a proposed approach focused on illustrative modelling for actionable ISP projects and contingent projects that have already progressed through an initial Regulatory Investment Test for Transmission (RIT-T) assessment.

This narrower approach reflects that these projects have a stronger basis for indicative timing and cost assumptions than the broader contingent project portfolio. However, any modelling would still need to clearly explain the uncertainty around scope, timing, cost and delivery, including the potential for non-network options to defer, reduce or replace network investment.

Powerlink advised that it had not identified a credible way to show the cumulative impact of all contingent projects without implying a level of certainty that does not exist. Members supported further development of this narrower but more transparent approach, provided Powerlink clearly explains what is included, what is excluded, and the assumptions and limitations underpinning the modelling (this document).

3. Design principles

Powerlink tabled a set of design principles to guide its consideration of transparent representation of price impacts, as follows:

- make uncertainty visible
- explain what drives change
- separate need and regulatory assessment from delivery
- anchor to credible sources, and
- support clear interpretation.

After applying these principles Powerlink proposes a targeted approach to the modelling of potential price impacts of projects not included in the ex ante forecast of the Revenue Proposal. This is described in the following section for each of the projects identified in the AER's Issues Paper and/or Powerlink's 2027-32 Revenue Proposal.

4. Overview of projects included and excluded in modelling

Projects to be included in potential price modelling

Project Name	Category	Reasoning
Gladstone Project	Priority transmission investment	Refer Appendix 10.01 of Revenue Proposal
System Strength CPA 2026	Contingent project application	Refer Appendix 10.01 of Revenue Proposal
Brisbane Area 275kV Reinforcement	2026 actionable ISP project[1]	2026 actionable ISP project with indicative completion date and estimated cost.
Central to North Queensland Reinforcement (Stage 1)	2026 actionable ISP project[2]	2026 actionable ISP project with indicative completion date and estimated cost.
Central Queensland System Strength	Proposed contingent project	Proposed contingent project subject to previous RIT-T with indicative completion date and estimated cost.

Projects not to be included in potential price modelling

Project Name	Category	Reasoning
QNI Connect	2026 future ISP project	No longer actionable. Low certainty in timing, scope and cost of network solution.
Central Queensland to South Queensland Reinforcement	2026 future ISP project	No longer actionable. Low certainty in timing, scope and cost of network solution.
Southern Queensland System Strength	N/A	No longer proposed contingent project due to reduced probability of trigger.
Central Queensland to North Queensland Reinforcement	Proposed contingent project	Low certainty in timing, scope and cost of network solution[3].
Northern Bowen Basin Reinforcement	Proposed contingent project	Low certainty in timing, scope and cost of network solution.
Gladstone Area Augmentation	Proposed contingent project	Low certainty in timing, scope and cost of network solution.
South West Queensland Augmentation	Proposed contingent project	Low certainty in timing, scope and cost of network solution.
North Brisbane Area Network Development	Proposed contingent project	Low certainty in timing, scope and cost of network solution.
Surat Basin Area Network Development	Proposed contingent project	Low certainty in timing, scope and cost of network solution.

[1] Was *Brisbane Area Transfer Capacity* proposed contingent project in Appendix 4.04, January 2026.
[2] Part of *Central Queensland to North Queensland Reinforcement* proposed contingent project in Appendix 4.04, January 2026.
[3] Some overlap with 2026 future ISP project, *Central to North Queensland Reinforcement (Stage 2).*

5. Next steps

The RPRG is requested to confirm its support for the proposed approach or propose feedback on how the approach to the representation of price impacts for customers may be improved. Powerlink requests a response from the RPRG by close of business Friday 31 July 2026.

Powerlink will immediately commence preparation of project information to support the proposed modelling approach but will not commence the modelling until the RPRG response has been received and considered.

6. RPRG Response

The RPRG responded 2 August 2026, and consider that:

- This briefing paper is an accurate representation of the discussion at our meeting, and
- It sets out a reasonable approach for Powerlink to take in what projects it includes/excludes in its modelling of potential price impacts of contingent projects.

The RPRG also proposed that the class of estimate be stated for each project modelled, and that Powerlink should engage with its direct-connected customers on potential price impacts.